

Corporate Finance Team
JSE Limited
One Exchange Square
2 Gwen Lane
Sandown
2196

21 April 2023

Dear JSE

RE: PROGRESS REPORT ASBI ETF & BIG50 ETF SUSPENSION

This letter serves to provide the JSE with a progress update on the suspension of trading of the Cloud Atlas AMI Big50 ex-SA ETF (“**Big50 ETF**”) and Cloud Atlas S&P African Sovereign Bond ETF (“**ASBI ETF**”), in compliance with paragraph 1.11(b) of the JSE Listings Requirements.

BACKGROUND

The change in ownership in the shareholding of Cloud Atlas (RF) (Pty) Ltd (“the Company”), where First World Trader (Pty) Ltd t/a EasyEquities (“EasyEquities”), which is a subsidiary of Purple Group Limited, has acquired a 100% ownership interest in the Company took effect 7 February 2023.

Business handover processes are still underway and have been delayed as the previous owner and Managing Director of the Company, Mr Maurice Madiba has resumed permanent employment at the JSE from 6 February 2023 and is not available to conclude handover processes. A letter of demand was sent to Mr Madiba on 17 March 2023 indicating contract breach, which he responded to on 31 March 2023. We are currently awaiting further response to our subsequent response letter issued to him on 5 April 2023.

In the meantime, we are also engaging with the auditors of the Company, BDO South Africa Inc. to audit the financial statements of the Company and the Cloud Atlas Scheme, which has proven challenging given handover processes were not concluded. We have submitted applications for approval from the Financial Sector Conduct Authority (“FSCA”) to delay the submission of the annual audited financials of the Company to 30 June 2023 along with an exemption until 30 June 2023, to comply with the capital requirements, and to submit the associated CAR reports that were/are due for submission during this exemption period due to the above-mentioned reasons.

PROGRESS UPDATE

Given the delay in business handover and the contract breach engagements currently underway, the portfolios’ wind-up timelines have been impacted and the updated projected portfolios wind-up timelines are as follows:

Action item	Proposed date
Trustee letter, confirming that there is no objection to the winding-up of the Portfolios	May 2023
Application submission to FSCA	May/June 2023



FSCA approval of winding-up, and draft notification letter to clients	June/July 2023
Mailing of notification letters to clients	July/August 2023
Cut-off date for accepting re-investment instructions from clients	September/October 2023 Note: FSCA discussions required due to asset illiquidity as some of the funds' assets are in restricted currencies, which can only be liquidated over 2/3 years
Realisation of assets in portfolios	September/October 2023 (a few days after the re-investment cut-off date) Note: FSCA discussions required due to asset illiquidity as some of the funds' assets are in restricted currencies, which can only be liquidated over 2/3 years
Remaining cash deposited into operational trust account, and distributed amongst all clients	September/October 2023 (a few days after the realisation of assets date) Note: FSCA discussions required due to asset illiquidity as some of the funds' assets are in restricted currencies, which can only be liquidated over 2/3 years
Special distribution	October/November 2023 (mandatory income declaration, and distribution, to clients. Due to the winding up, the normal timing of the income declarations will be disrupted, so there will/may need to be an additional special, final income declaration, and distribution, to clients)
Effective date of winding-up	October/November 2023 (usually 1 day after the special income distribution date)
Audit report submission to FSCA	October/November 2023 (auditor will start the audit directly after the effective date of the winding-up)
FSCA approval of cessation of portfolios	December 2023

Kind regards,

Nicola Comminos
Managing Director, Cloud Atlas
Chief Risk Officer, Purple Group
Nicola@purplegroup.co.za
+27 82 298 6712